

**TOWNSHIP OF OVERISEL
ALLEGAN COUNTY, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* Overisel Township	County* ALLEGAN	Type* TOWNSHIP	MuniCode* 03-1-180
Opinion Date-Use Calendar* Sep 3, 2008	Audit Submitted-Use Calendar* Sep 25, 2008	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin)?
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/> ?	18. Are there reported deficiencies?
<input type="checkbox"/> ?	19. If so, was it attached to the audit report?

General Fund Revenue:	<input type="checkbox"/> \$ 366,547.00
General Fund Expenditure:	<input type="checkbox"/> \$ 179,783.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	<input type="checkbox"/> \$ 409,058.00
Governmental Activities Long-Term Debt (see instructions):	<input type="checkbox"/> \$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* Theresa	Last Name* Steffes	Ten Digit License Number* 1101026910		
CPA Street Address* 424 Western Ave, Suite A	City* Allegan	Slate* MI	Zip Code* 49010	Telephone* +1 (269) 686-9050
CPA Firm Name* Angle & Steffes, P.C.	Unit's Street Address* 4307 144th Avenue	Unit's City* Holland	Unit's Zip* 49423	

OVERISEL TOWNSHIP

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INDEPENDENT AUDITOR'S REPORT

September 3, 2008

To The Township Board Members of
Overisel Township
Allegan County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Overisel, Allegan County, Michigan as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Overisel, Allegan County, Michigan management. Our responsibility is to express an opinion on these financial statements based on our audit.

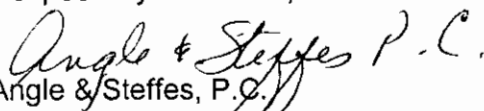
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Overisel as of March 31, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 3, 2008, on our consideration of the Township of Overisel's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of an audit.

The management's discussion and analysis and budgetary comparison information on pages 2 through 3 and 18 through 20 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,


Angle & Steffes, P.C.
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of Overisel Township as a whole and present a long-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Overisel Township's financial position strengthened from the prior fiscal year. State Revenue sharing has again declined but is offset by the increase in taxable value. Township officials are very guarded with any tentative spending plans at this time. Building permits have dropped again compared to prior year's activities. The Building Permit Fund acts primarily as a revolving account.

The Township has three major funds: General, Road and Fire Funds. The General Fund supports the Township's governmental services as well as supplements fire services. The road millage of 4.761 mills supports the road improvements of the township. General funds support fire contracts, cemetery services and all other services.

Government Wide Statements

	<u>March 31, 2008</u>	<u>March 31, 2007</u>
<u>Assets</u>		
Cash & cash equivalents	\$ 845,486	\$ 793,690
Receivables	552,774	604,976
Prepaid assets	11,605	15,354
Capital assets	<u>353,866</u>	<u>376,113</u>
Total Assets	1,763,731	1,790,133
<u>Liabilities</u>		
Current Liabilities	510,732	578,180
Non Current Liabilities	<u>0</u>	<u>21,128</u>
Total Liabilities	510,732	599,308
<u>Net Assets</u>		
Invested in Property & Equipment	332,738	333,857
Restricted for Roads	432,916	486,317
Restricted for Fire Protection	78,289	73,170
Unrestricted	<u>409,058</u>	<u>297,481</u>
Total Net Assets	\$ 1,253,001	\$ 1,190,825

Fund Highlights

The Township continues to provide the citizens of Overisel Township with dust control, road reconstruction, resurfacing and mowing of shoulders, due to a road millage of 4.761 mills for the before mentioned services. Fire Protection cost is partially funded by a Fire Protection millage. The balance of the Fire Protection costs are covered by the General Fund which is made up of State Revenue Sharing and operating millage. Other services taken from the General Fund are cemetery upkeep, landfill and recycling services.

Improvements of the Township Hall including roof repair, entry way improvements and remodeling of one bathroom into a small kitchenette were projects undertaken in 2007-2008. Two Warning Sirens were placed in the township for advanced protection. Continued fire truck debt paydown was also managed by the Township.

Outlook for the Coming Year

With one payment remaining on the fire truck loan and close monitoring of State Revenue Sharing and projected revenues, Overisel Township should continue to provide services to residents at current levels regardless of any anticipated reductions in this area. There was a carry forward of road monies for 2008/2009 road projects. Overisel Township officials are diligent in searching for cost savings whenever possible while striving to improve road conditions as voter levies are collected.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability of the money that it receives. If you have any questions about this report or need additional information, we welcome you to contact the Township officials.

OVERISEL TOWNSHIP
GOVERNMENT WIDE STATEMENT OF NET ASSETS
MARCH 31, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 845,486	\$ 0	\$ 845,486
Investments	0	0	0
Receivables - net	552,774	0	552,774
Prepays	11,605	0	11,605
Capital assets - net	353,866	0	353,866
 Total Assets	 1,763,731	 0	 1,763,731
LIABILITIES			
Accounts payable	2,417	0	2,417
Accrued and other liabilities	487,185	0	487,185
Noncurrent Liabilities			
Due within one year	21,128	0	21,128
Due in more than one year	0	0	0
 Total Liabilities	 510,730	 0	 510,730
NET ASSETS			
Invested in Capital Assets			
Net of related debt	332,738	0	332,738
Restricted For			
Streets and highways	432,916	0	432,916
Public safety	78,289	0	78,289
Unrestricted	409,058	0	409,058
 Total Net Assets	 <u>\$ 1,253,001</u>	 <u>\$ 0</u>	 <u>\$ 1,253,001</u>

The Notes to Financial Statement are an integral part of this statement.

**OVERISEL TOWNSHIP
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary Government						
General government	\$ 152,795	\$ 2,800	\$ 0	\$ (149,995)	\$ 0	\$ (149,995)
Public safety	187,523	30,802	0	(156,721)	0	(156,721)
Public works	563,798	0	0	(563,798)	0	(563,798)
Total Governmental Activities	904,116	33,602	0	(870,514)	0	(870,514)
Total Primary Government	\$ 904,116	\$ 33,602	\$ 0	(870,514)	0	(870,514)
General Revenues						
Property taxes				685,538	0	685,538
State revenues				218,990	0	218,990
Unrestricted investment earnings				13,833	0	13,833
Rent				2,367	0	2,367
Miscellaneous, fines & forfeits				11,962	0	11,962
Transfers				0	0	0
Total General Revenues-Special Items and Transfers				932,690	0	932,690
Change in Net Assets				62,176	0	62,176
Net Assets-Beginning				1,190,825	0	1,190,825
Net Assets-Ending				\$ 1,253,001	\$ 0	\$ 1,253,001

The Notes to Financial Statements are an integral part of this statement.

OVERISEL TOWNSHIP
GOVERNMENTAL FUND BALANCE SHEET
March 31, 2008

	General Fund	Road Fund	Fire Fund	Non-Major Governmental Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 841,786	\$ 0	\$ 0	\$ 3,700	\$ 845,486
Investments	0	0	0	0	0
Receivables - net	35,765	25,850	3,974	0	65,589
Due from other funds	3,700	407,066	76,419	0	487,185
Prepays	11,605	0	0	0	11,605
Total Assets	892,856	432,916	80,393	3,700	1,409,865
LIABILITIES					
Accounts payable	313	0	2,104	0	2,417
Due to other funds	483,485	0	0	3,700	487,185
Total Liabilities	483,798	0	2,104	3,700	489,602
FUND BALANCES					
Reserved for					
Public works	0	432,916	0	0	432,916
Public safety	0	0	78,289	0	78,289
Unreserved	409,058	0	0	0	409,058
Total Fund Balances	\$ 409,058	\$ 432,916	\$ 78,289	\$ 0	920,263
Amounts reported for governmental activities in the Statement of Net Assets are different because:					
Capital assets used in governmental activities are not financial resources and are not reported in the funds.					353,866
Debt principal repayments and proceeds of debt are not reported on the statement of activities.					(21,128)
Net Assets of Governmental Activities					\$ 1,253,001

The Notes to Financial Statements are an integral part of this statement.

OVERISEL TOWNSHIP
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
March 31, 2008

	General Fund	Road Fund	Fire Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Taxes and penalties	\$ 120,780	\$ 484,365	\$ 80,393	\$ 0	\$ 685,538
Licenses and permits	0	0	0	10,802	10,802
State aid	214,810	4,180	0	0	218,990
Charges for services	2,800	0	20,000	0	22,800
Interest and rentals	16,195	0	0	5	16,200
Other revenue	11,962	0	0	0	11,962
Total Revenues	366,547	488,545	100,393	10,807	966,292
Expenditures					
Current					
General government	149,406	0	0	0	149,406
Public safety	0	0	146,105	11,902	158,007
Public works	21,853	541,945	0	0	563,798
Community/Economic development	0	0	0	0	0
Capital outlay	8,524	0	569	0	9,093
Debt Service	0	0	0	22,693	22,693
Total Expenditures	179,783	541,945	146,674	34,595	902,997
Excess of Revenues Over (Under) Expenditures	186,764	(53,400)	(46,281)	(23,788)	63,295
Other Financing Sources (Uses)					
Transfers in	0	0	74,093	23,788	97,881
Transfers (out)	(75,188)	0	(22,693)	0	(97,881)
Total Other Financing Sources (Uses)	(75,188)	0	51,400	23,788	0
Excess of Revenue and Other Sources Over (Under) Expenditures & Other Uses	111,576	(53,400)	5,119	0	63,295
Fund Balance - April 1, 2007	297,482	486,316	73,170	0	856,968
Fund Balance - March 31, 2008	<u>\$ 409,058</u>	<u>\$ 432,916</u>	<u>\$ 78,289</u>	<u>\$ 0</u>	<u>\$ 920,263</u>

The Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF OVERISEL
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Overisel, Allegan County, Michigan is a general law Township. The Township operates under an elected government and provides the following services as authorized by its charter: public safety, highways and street, public improvements, cultural recreation, planning and zoning, and administrative services.

The accounting policies of the Township of Overisel conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", these financial statements present the Township of Overisel. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**TOWNSHIP OF OVERISEL
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Road and Fire Funds are Special Revenue Funds of the Township. The Road and Fire Funds are used to account for the proceeds of specific revenue tax millages that are legally restricted to expenditures for specified purposes.

Additionally, the government reports the following non-major fund types:

The Building Inspection and Debt Service Funds are Special Revenue Funds of the Township. The Building Inspection Fund is used to account for proceeds of special purpose programs. The Debt Service Fund is used to account for debt repayments.

Fiduciary funds are used in the tax collection process, however these cash balances were zero as of the audit date. No fiduciary governmental fund financial statements were reported as a result. Fiduciary funds are excluded from the government-wide financial statements.

**TOWNSHIP OF OVERISEL
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule would be charges between the government's enterprise funds and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. The Township of Overisel does not have an enterprise fund.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating revenue items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary fund relates to charges to customers for sales and services. The Township does not have proprietary funds.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables-In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Summer and winter taxes are levied by the Township. Property taxes are levied in July and December on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent in the following September and March of the following respective periods, at which time penalties and interest are assessed.

Inventories and Prepaid Items-Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

**TOWNSHIP OF OVERISEL
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

D. Assets, Liabilities and Net Assets or Equity (continued)

Capital Assets-Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	30 to 40 years
Building Improvements	15 to 30 years
Roads	10 to 30 years
Sidewalks	20 to 30 years
Fire Equipment	07 to 40 years
Vehicles	03 to 07 years
Office Equipment	05 to 07 years
Computer Equipment	03 to 07 years

Compensated Absences (Vacation and Sick Leave)-It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Compensated absences and unpaid vacations were considered but not accrued due to immateriality in amount.

Fund Equity-In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide financial statements differ from the Governmental fund financial statements for the effect of the inclusion of capital assets and long term debts.

Capitalized Asset Costs	\$	871,908
Less Accumulated Depreciation		(518,042)
Capital Assets - net		353,866
Less Short Term debt		(21,128)
Net Adjustments		332,738
Governmental Fund Balances		920,263
Net Assets of Governmental Activities	\$	1,253,001

**TOWNSHIP OF OVERISEL
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information-The Township of Overisel follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Township Board approves, by ordinance, total budget appropriations only. Any revisions that alter the total appropriations of any fund must be approved by the Township Board, therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, Roads, etc.).
3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Excess of Expenditures Over Appropriations in Budgeted Funds-During the year, the Local Governmental Unit did incur expenditures in budgeted funds which were in excess of the amounts appropriated.

Fund Deficits-The Local Governmental Unit has no accumulated fund balance deficits at this time.

NOTE 4 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government of federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated several banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

**TOWNSHIP OF OVERISEL
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENT
MARCH 31, 2008**

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Total Primary Government</u>
Cash & Cash Equivalents	<u>\$ 845,486</u>	<u>\$ 845,486</u>

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 845,486
Investments in Securities, Mutual Funds and Similar Vehicles	-
Petty Cash and Cash on Hand	<u>-</u>
Total	<u>\$ 845,486</u>

The book balance of the primary government's deposits is \$845,486 of which \$203,475 is covered by federal depository insurance.

**OVERISEL TOWNSHIP
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major, nonmajor and business funds, with discretely presented component units in the aggregate, including the applicable allowances for uncollectible accounts, are reported in the Government Wide Statement of Net Assets as follows:

	Major Funds			Non-Major		Business Type
	General Fund	Road Fund	Fire Fund	and Other Funds	Activities Total	
Taxes receivable	\$ 5,035	\$ 25,850	\$ 3,974	\$ 0	\$ 34,859	\$ 0
State revenues receivable	30,730	0	0	0	30,730	0
Due from other funds	3,700	407,066	76,419	0	487,185	0
Less: allowance for uncollectibles	0	0	0	0	0	0
Net Receivables	\$ 39,465	\$ 432,916	\$ 80,393	\$ 0	\$ 552,774	\$ 0

- * 2007 Winter tax receivable balances are received from the Allegan County revolving tax collection fund within 60 days of the fiscal year end.
- * State revenue share receivable reflects the constitutional and statutory sales tax for March and April 2008. Provision is according to state guidelines, allowing six revenue payments in the fiscal period.
- * Due from other funds: The General Fund is owed funds from the Building Inspection Fund for transfer activity due. The Road and Fire Funds are owed funds from the General Fund for tax collection dollars that are temporarily held. Tax collected by March 31 are used for road and fire services in the next, new fiscal year. Separate accounts are not normally maintained for the special revenue funds.

**OVERISEL TOWNSHIP
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 6 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Primary Government				
Capital Assets Not Being Depreciated				
Land	\$ 34,750	\$ 0	\$ 0	\$ 34,750
Subtotal	<u>34,750</u>	<u>0</u>	<u>0</u>	<u>34,750</u>
Capital Assets Being Depreciated				
Buildings, additions and improvements	80,974	5,021	0	85,995
Improvements other than buildings	0	0	0	0
Equipment	40,363	3,503	0	43,866
Fire equipment	106,736	569	0	107,305
Fire trucks	<u>599,992</u>	<u>0</u>	<u>0</u>	<u>599,992</u>
Subtotal	<u>828,065</u>	<u>9,093</u>	<u>0</u>	<u>837,158</u>
Less Accumulated Depreciation for				
Buildings, additions and improvements	54,960	1,405	0	56,365
Improvements other than buildings	0	0	0	0
Equipment	31,907	2,187	0	34,094
Fire equipment	53,035	14,188	0	67,223
Fire trucks	<u>346,800</u>	<u>13,560</u>	<u>0</u>	<u>360,360</u>
Subtotal	<u>486,702</u>	<u>31,340</u>	<u>0</u>	<u>518,042</u>
Net Capital Assets Being Depreciated	<u>341,363</u>	<u>(22,247)</u>	<u>0</u>	<u>319,116</u>
Governmental and Business Activities				
Capital Total				
Capital Assets-Net of Depreciation	<u>\$ 376,113</u>	<u>\$ (22,247)</u>	<u>\$ 0</u>	<u>\$ 353,866</u>

Depreciation expense was charged to programs of the Township as follows:

Primary Government

General government	\$ 3,388
Public safety	<u>27,952</u>
Total Primary Government Activities	<u>\$ 31,340</u>

**OVERISEL TOWNSHIP
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 7 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds			
<u>Receivable Fund</u>		<u>Payable Fund</u>	<u>Amount</u>
General fund	\$ 3,700	Building Inspection fund	\$ 3,700
Road fund	407,066	General fund	407,066
Fire fund	<u>76,419</u>	General fund	<u>76,419</u>
Total	<u>\$ 487,185</u>		<u>\$ 487,185</u>

Receivable account balances: General Fund is due funds from the Building Inspection Fund based on timing of payment of expenses. The General Fund owes funds due to the Road and Fire Funds from voter levies collected. Current year special voter road and fire tax collections are retained in one General Fund account. These monies are due the Road and Fire Funds for road projects and fire safety planned for use in the coming fiscal year.

Interfund Transfers

<u>Transfers In</u>	<u>Transfers (Out)</u>		
	<u>General Fund</u>	<u>Fire Fund</u>	<u>Total</u>
Fire fund	\$ 74,093	\$ 0	\$ 74,093
Building Inspection fund	1,095	0	1,095
Debt Service fund	<u>0</u>	<u>22,693</u>	<u>22,693</u>
Total	<u>\$ 75,188</u>	<u>\$ 22,693</u>	<u>\$ 97,881</u>

Current year fire safety expenses are funded by prior year tax collections and support from the General Fund. The transfers out from the General Fund represent the contributions made to continue fire safety services for the community that can not be paid for by the fire levy alone. This situation is the same for the funding of debt payments. Debt payments for the fire truck are ultimately supported through the General and Fire Funds.

The General Fund also supports the Building Inspection activity by assisting with expenses not immediately collected from fees.

**TOWNSHIP OF OVERISEL
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 8 - TOWNSHIP DEBTS

In the 2004/2005 fiscal year, the Township purchased a fire truck, partially paid for with a bank loan of \$84,512. Principal payments are due annually of \$21,128, with interest at a rate of 3.70% per annum.

	<u>Beginning Debt Requirements</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Debt Requirement</u>
Principal	\$ 42,256	\$ -	\$ (21,128)	\$ 21,128
Interest	<u>2,276</u>	<u>-</u>	<u>(1,565)</u>	<u>711</u>
	\$ 44,532	\$ -	\$ (22,693)	\$ 21,839

NOTE 9 - RETIREMENT PLAN

The Township has a governmental pension plan which allows a Section 218 exclusion of social security taxes with a governmental pension plan participation. The Township utilizes a third party administrator to assist with investment functions, while internally maintaining payroll and tax reporting responsibilities. The Township contributes a percentage of the eligible employee annual salary to the plan, with an employee match. Employee eligibility is defined in the plan. Pension expense for the March 31, 2008 fiscal year is \$8,076 as reported in the financial statements.

NOTE 10 - BUILDING INSPECTION SERVICES

Public Act 245 of 1999 became effective January 1, 2000. This construction code act specified that a statewide code would apply to the plumbing, electrical, mechanical and building codes, dictating the Township's involvement in these services. The Township has set up a separate fund to monitor these functions as well as the planning and zoning activities. The Township of Overisel does not experience a profit in this function, covering administrative costs only.

REQUIRED SUPPLEMENTAL INFORMATION

**OVERISEL TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008**

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	\$ 297,482	\$ 297,482	\$ 297,482	\$ 0
Resources (Inflows)				
Taxes and penalties	83,100	83,100	120,780	37,680
State aid	200,000	200,000	214,810	14,810
Charges for services	3,300	3,300	2,800	(500)
Interest and rentals	25,400	25,400	16,195	(9,205)
Miscellaneous revenues	12,900	12,900	11,962	(938)
Amounts Available for Appropriation	622,182	622,182	664,029	41,847
Charges to Appropriations (Outflows)				
General Government				
Township board	52,000	52,000	52,533	(533)
Supervisor	17,000	17,000	14,921	2,079
Clerk	15,500	15,500	16,330	(830)
Finance	4,600	4,600	4,600	0
Board of Review	1,400	1,400	977	423
Treasurer	24,000	24,000	21,397	2,603
Assessor	14,000	14,000	12,388	1,612
Elections	2,000	2,000	3,196	(1,196)
Other General Government				
Building and grounds	9,000	9,000	7,619	1,381
Cemetery	22,000	22,000	15,390	6,610
Attorney	3,000	3,000	55	2,945
Public Safety	0	0	0	0
Public Works	29,000	29,000	21,853	7,147
Recreation and culture	0	0	0	0
Community/Economic development	0	0	0	0
Capital outlay	9,000	9,000	8,524	476
Transfers to other funds	126,600	126,600	75,188	51,412
Total Charges to Appropriations	329,100	329,100	254,971	74,129
Budgetary Fund Balance-Mar 31	<u>\$ 293,082</u>	<u>\$ 293,082</u>	<u>\$ 409,058</u>	<u>\$ 115,976</u>

**OVERISEL TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED MARCH 31, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Beginning of Year Fund Balance	\$ 486,316	\$ 486,316	\$ 486,316	\$ 0
Resources (Inflows)				
Taxes and penalties	505,035	505,035	484,365	(20,670)
Interest	10,700	10,700	0	(10,700)
Miscellaneous	6,765	6,765	4,180	(2,585)
Transfers from other funds	50,000	50,000	0	(50,000)
Amounts Available for Appropriation	<u>1,058,816</u>	<u>1,058,816</u>	<u>974,861</u>	<u>(83,955)</u>
Charges to Appropriation (Outflows)				
Public Works				
Roads	<u>572,500</u>	<u>572,500</u>	<u>541,945</u>	<u>30,555</u>
Total Charges to Appropriations	<u>572,500</u>	<u>572,500</u>	<u>541,945</u>	<u>30,555</u>
Budgetary Fund Balance-Mar 31	<u>\$ 486,316</u>	<u>\$ 486,316</u>	<u>\$ 432,916</u>	<u>\$ (53,400)</u>

**OVERISEL TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
FIRE FUND
YEAR ENDED MARCH 31, 2008**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Beginning of Year Fund Balance	\$ 73,170	\$ 73,170	\$ 73,170	\$ 0
Resources (Inflows)				
Taxes and penalties	83,800	83,800	80,393	(3,407)
Miscellaneous	24,600	24,600	20,000	(4,600)
Transfers from other funds	<u>76,600</u>	<u>76,600</u>	<u>74,093</u>	<u>(2,507)</u>
Amounts Available for Appropriation	<u>258,170</u>	<u>258,170</u>	<u>247,656</u>	<u>(10,514)</u>
Charges to Appropriations (Outflows)				
Public Safety				
Fire	159,000	159,000	146,105	12,895
Capital Outlay	1,000	1,000	569	431
Transfers to other funds	<u>25,000</u>	<u>25,000</u>	<u>22,693</u>	<u>2,307</u>
Total Charges to Appropriations	<u>185,000</u>	<u>185,000</u>	<u>169,367</u>	<u>15,633</u>
Budgetary Fund Balance-Mar 31	<u>\$ 73,170</u>	<u>\$ 73,170</u>	<u>\$ 78,289</u>	<u>\$ 5,119</u>

ADDITIONAL INFORMATION

**OVERISEL TOWNSHIP
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008**

	Building Inspection	Debt Service	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 3,700	\$ 0	\$ 3,700
Investments	0	0	0
Receivables - net	0	0	0
Due from other funds	0	0	0
Total Assets	<u>\$ 3,700</u>	<u>\$ 0</u>	<u>\$ 3,700</u>
Liabilities and Fund Equity			
Liabilities			
Accounts payable	\$ 0	\$ 0	\$ 0
Due to other funds	3,700	0	3,700
Total Liabilities	3,700	0	3,700
Fund Balance			
Reserved	0	0	0
Unreserved	0	0	0
Total Fund Equity	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Equity	<u>\$ 3,700</u>	<u>\$ 0</u>	<u>\$ 3,700</u>

The Notes to the Financial Statements are an integral part of this statement.

OVERISEL TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008

	Building Inspection	Debt Service	Total Non-Major Governmental Funds
Revenues			
Licenses and permits	\$ 10,802	\$ 0	\$ 10,802
Interest	5	0	5
Other revenue	0	0	0
Total Revenues	10,807	0	10,807
Expenditures			
Current			
Public safety	11,902	0	11,902
Debt Services			
Principal	0	21,128	21,128
Interest	0	1,565	1,565
Total Expenditures	11,902	22,693	34,595
Excess of Revenues Over (Under) Expenditures	(1,095)	(22,693)	(23,788)
Other Financing Sources (Uses)			
Operating transfers in	1,095	22,693	23,788
Operating transfers (out)	0	0	0
Total Other Financing Sources (Uses)	1,095	22,693	23,788
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	0	0	0
Fund Balance - April 1, 2007	0	0	0
Fund Balance - March 31, 2008	\$ 0	\$ 0	\$ 0

The Notes to the Financial Statements are an integral part of this statement.

ANGLE & STEFFES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.

September 3, 2008

Township of Overisel
Township Board Members
Allegan County, MI

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Overisel, Allegan County, Michigan, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 3, 2008. We conducted our audit on accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Overisel's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Overisel, Allegan County, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Overisel, Allegan County, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We note certain matters for management's attention and improvement, those control deficiencies that are not considered significant deficiencies or material weaknesses involving internal control:

Uninsured Funds

The FDIC's regulations govern the insurance coverage of public units' accounts. The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the same bank within the State are added together and insured up to \$100,000. Separately, all demand deposits owned by the public unit and held by the same bank within the State are added together and insured up to an additional \$100,000. The Township maintains demand and savings deposits in multiple banks totaling \$845,486 as of March 31, 2008. Of these funds, \$642,011 is uninsured by the FDIC. The Township primarily utilizes one bank, however, and we recommend that additional Michigan banks be utilized to cover Township funds in FDIC insured accounts, spreading funds in demand and savings accounts as appropriate.

Budgetary Oversight

We noted budget variances in the General Fund activity. The following accounts exceeded budget provisions:

General Fund:

General Government:	Budget	Actual
Township Board	\$52,000	\$52,533
Clerk	\$15,500	\$16,300
Elections	\$ 2,000	\$ 3,196

We recommend close review of the budget, quarterly review and reporting, to maintain control over expenditures.

Payroll and Pension Accounting

During our test work, we noted payroll reporting differences with detail W-2 transactions. Corrections were required and completed. It is our recommendation that efforts continue to monitor system reporting so as to ensure that payroll and tax reporting is accurate.

Pension contributions are paid by the Township for the following year. This prepayment and employees' subsequent transactions as contributions are earned and collected need to be reconciled on a timely basis. This detail reconciliation will ensure that the Township's account is properly controlled. Attention is required in this matter.

This report is intended solely for the information and use of management and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Angle & Steffes, P.C.
Certified Public Accountants
Allegan, Michigan